

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (E 3338-E) for Authority to Institute a Rate Stabilization Plan with a Rate Increase and End of Rate Freeze Tariffs.	Application 00-11-038 (Filed November 16, 2000)
Emergency Application of Pacific Gas and Electric Company to Adopt a Rate Stabilization Plan. (U 39 E)	Application 00-11-056 (Filed November 22, 2000)
Petition of THE UTILITY REFORM NETWORK for Modification of Resolution E-3527.	Application 00-10-028 (Filed October 17, 2000)

**PRESIDENT PEEVEY'S RULING
REGARDING PACIFIC GAS AND ELECTRIC COMPANY'S
MOTION FOR RELIEF FROM ORDERING PARAGRAPH 2.a.
OF DECISION 01-03-029**

Summary

On August 2, 2005, Pacific Gas and Electric Company (PG&E) filed a motion seeking "Relief From Ordering Paragraph 2.A of Decision 01-03-029 Requiring Monthly Cash Conservation Program Status Reports." Decision (D.) 01-03-029 requires PG&E and Southern California Edison Company (SCE) to file a monthly update on the status of their cost cutting measures that they undertook or planned to undertake during the height of the energy crisis in late 2000 and early 2001.

Today's ruling grants PG&E's motion. PG&E and SCE are relieved of their obligation under Ordering Paragraph 2.a. of D.01-03-029 to file monthly updates regarding their cost cutting measures.

Background

In D.01-03-029, the Commission addressed the emergency motion of the Coalition of California Utility Employees (CCUE) which sought to prevent PG&E and SCE from engaging in certain cost cutting measures during the height of the energy crisis. In that decision, the Commission rescinded the layoffs that PG&E and SCE had initiated. The Commission's reasoning for rescinding the layoffs was because of the adverse effects on "the utilities' ability to: (1) fully staff their customer call centers; (2) read meters on a monthly basis for all customers; and (3) timely respond to service calls and outages, and to connect new customers." (D.01-03-029, pp. 38-39.) D.01-03-029 also barred PG&E and SCE from engaging in any other layoffs which adversely affect the three enumerated customer service areas.

In Ordering Paragraph 2.a. of D.01-03-029, PG&E and SCE were directed to file a monthly update of the status of their respective cost cutting measures. The monthly updates were designed to provide the Commission with information about the layoffs and the effect on the customer service areas that the Commission expressed concern about. Another purpose of the monthly update was to inform the Commission about the utilities' cost cutting measures such as the deferral of maintenance and capital replacement projects. Ordering Paragraph 2.c. of D.01-03-029 allows the President of the Commission to terminate the monthly update reporting requirement.

In Ordering Paragraph 2.b. of D.01-03-029, the Commission ordered that "If significant changes occur to the cost cutting measures, which deviate from

what was represented to the Commission in connection with CCUE's motion, then the utility shall be required to file an update on the change and its effect within three days of the change."

PG&E filed a similar motion on December 20, 2001 to end the reporting requirement. No ruling was issued on that motion.

On August 16, 2005, SCE filed a response in support of PG&E's motion, and to join in PG&E's motion. SCE requests that if PG&E is relieved of the monthly reporting requirement, that SCE also be granted such relief. No one else responded to PG&E's August 2, 2005 motion.

Discussion

PG&E's motion requests that the President of the Commission terminate PG&E's obligation under Ordering Paragraph 2.a. of D.01-03-029 to file monthly status reports on its cash conservation measures. PG&E asserts it has restored all of its cash conservation measures as ordered in D.01-03-029, and that no further purpose exists for PG&E to file monthly updates. PG&E states that should there be "a change in its now-terminated cash conservation program..." PG&E will file an update within three days pursuant to Ordering Paragraph 2.b. of D.01-03-029. (PG&E Motion, pp. 2-3.)

SCE contends that the reasons cited by PG&E apply to SCE as well. SCE states that it "has complied with the requirements of D.01-03-029 directing SCE to restore certain positions eliminated by cash conservation measures undertaken during the energy crisis and to adopt staffing policies specified by the Commission with respect to SCE's customer call center and its Transmission and Distribution Business Unit." (SCE Response, p. 2.) SCE states that it "has consistently reported no change, either in the status of its completed restoration of positions, or in its staffing policies, since the April 2, 2001 Report." (*Ibid.*) SCE

also states that it “has concluded its temporary cost containment and cash conservation program. (*Ibid.*)

SCE agrees with PG&E that no further purpose exists for the filing of the monthly reports unless there is a change in SCE’s or PG&E’s cash conservation program. If such a change were to occur, SCE states that it would file a monthly update within three days as required by Ordering Paragraph 2.b. of D.01-03-029.

The circumstances that led up to the energy crisis, and to the cost cutting measures that the utilities undertook, have been resolved. Thus, the need for monthly reports regarding the utilities’ staffing in the customer service areas that the Commission expressed concerns about is no longer needed. Pursuant to Ordering Paragraph 2.c. of D.01-03-029, I will grant PG&E’s August 2, 2005 motion and terminate the monthly reporting requirement that PG&E and SCE were obligated to file under Ordering Paragraphs 1.a.(2), 1.b.(1), and 2.a. of D.01-03-029. Since this ruling grants PG&E’s August 2, 2005 motion, PG&E’s December 20, 2001 motion requesting the same relief is moot.

Although this ruling eliminates the monthly reporting requirement, PG&E and SCE remain obligated under Ordering Paragraph 2.b. of D.01-03-029, as acknowledged by them in their pleadings, to file an update “If significant changes occur to the cost cutting measures, which deviate from what was represented to the Commission in connection with CCUE’s motion...” within three days of the change.

Therefore, **IT IS RULED** that:

1. The August 2, 2005 motion of Pacific Gas and Electric Company (PG&E) seeking “Relief From Ordering Paragraph 2.A of Decision 01-03-029 Requiring Monthly Cash Conservation Program Status Reports” is granted.

2. PG&E and Southern California Edison Company (SCE) are relieved of the obligation in Ordering Paragraph 2.a. of Decision (D.) 01-03-029 of filing a monthly update on the status of their respective cost cutting measures.

3. PG&E and SCE remain obligated under Ordering Paragraph 2.b. of D.01-03-029 to file an update if a significant change occurs to the cost cutting measures which deviate from what was represented to the Commission in connection with the January 8, 2001 motion of the Coalition of California Utility Employees.

4. PG&E's December 20, 2001 motion to end the reporting requirement is moot.

Dated August 26, 2005, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
President

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties for whom an electronic mail address has been provided, this day served a true copy of the original attached President Peevey's Ruling Regarding Pacific Gas and Electric Company's Motion for Relief from Ordering Paragraph 2.A. of Decision 01-03-029 on all parties of record in this proceeding or their attorneys of record.

Dated August 26, 2005, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.